

Murray–Darling Basin Authority
Meeting 103 – 13 October 2016
Minutes

Members in Attendance: The Hon Neil Andrew (Chair); Ms Di Davidson; Mr George Warne; Professor Barry Hart; Ms Susan Madden; and the MDBA Chief Executive, Mr Phillip Glyde.

Supported by relevant agency staff.

Agenda Item 1: Opening of meeting, disclosure of interests and apologies

1. The Chair, Mr Neil Andrew, opened the meeting at 8.30am and welcomed members and MDBA staff. There were no apologies.

Conflict of Interest

2. No members declared a conflict of interest with items on the agenda.
3. The Authority **noted** the opening remarks of the Chair.

Agenda Item 2: Adoption of Draft Agenda

4. The Authority **adopted** the agenda for meeting 103 with the inclusion of Regional Engagement Officers under Other Business at item 10.

Agenda Item 3: Confirmation of Minutes of Meeting 102

5. Mr Phillip Glyde, Chief Executive (CE), reported that the letter to the Chair of the Basin Officials Committee (BOC) referred to in paragraph 40 would be discussed later in the meeting.
6. The Authority **confirmed** the minutes of MDBA 102 – 6 September 2016.

Agenda Item 4: Chair's report

7. The Chair commented that this was a pivotal meeting regarding the future impact of sustainable diversion limit (SDL) options. Decisions taken would be fundamental to the future operation of the Basin Plan and would be a measure of the Authority's sensitivity to the social, economic and environmental objectives of the Basin Plan.
8. While commenting he would welcome a consensus decision and considered this a desirable outcome, Mr Andrew noted that the *Water Act 2007* (the Act) required only a majority. He also commented that the Act required the keeping of minutes and the Authority has agreed these will be public documents and could be used to record assenting or dissenting views.
9. The Chair reported on meetings he and the acting Chief Executive, Mr Russell James, had with the Queensland and New South Wales water ministers, the Federal opposition water spokesman and the Chair of the Northern Basin Advisory Committee (NBAC), Mr Mal Peters.
10. He further reported on meetings he and Mr Glyde had with the Hon Ian McLachlan, Assistant Minister Ruston and incoming Member for Groom Dr John McVeigh.
11. He noted that he was joined by Ms Susan Madden and the CE and other MDBA officials for a meeting with the Wentworth Group.

12. The Chair commented that Minister Joyce's op-ed on the Northern Basin recognised the MDBA's role in consulting with northern communities and the need to be smarter and more adaptive in water management.
13. The Authority **noted** the Chair's report.

Agenda Item 5: BCC Chair's report

14. The Chair of the Basin Community Committee (BCC), Mr Rory Treweeke, reported on the BCC 42 meeting and tour in the Mildura region, noting the long term effects of reduced water availability were clear in the environment. He commented that it was a good opportunity to see infrastructure being used and the obvious environmental benefits of the works.
15. Mr Treweeke noted that the BCC expressed concern about the need for compliance measures to underpin faith in the Basin Plan.
16. He reported that at the recent NBAC meeting Mr Chris Joseph had provided detailed information to enable Queensland officials to reassess water compliance issues. Mr Glyde noted that at the same meeting it was emphasised by New South Wales representatives that concerns about compliance issues should be brought to the attention of the New South Wales officials.
17. Mr Treweeke expressed the view that Ministerial Council should take a lead in promoting integrity in water access and management.
18. Around the Basin he reported that the lower Darling salt slug had shifted and as the Condamine–Balonne was the only system that had not had a big flow, seasonal conditions could mean that the cotton season would probably not be a big one this year.
19. Mr Treweeke noted that calls were increasing from stakeholders in the southern Basin for socio-economic studies to be undertaken to the same rigor as for the northern Basin.
20. He also reported that the BCC sub-committee had met on 12 October 2016 to work through the proposed consultation process for the Basin Plan amendments. The sub-committee had advised the MDBA should go ahead with consultation regardless of the difficulty in the timing regarding planting and harvesting and the Christmas break. The group also suggested that messaging be targeted to the information needs of the relevant communities.
21. The Authority **noted** the report from the BCC Chair.

Agenda Item 6: NBAC Chair's report

22. Mr Mal Peters, NBAC Chair, referred Authority members to the report of NBAC, noting it was agreed to by all members of the Committee.
23. Authority members recognised Mr Peters' skill in obtaining consensus on such a pivotal report and congratulated him and NBAC for producing a comprehensive report.
24. The Authority **noted** the report from the NBAC Chair.

Agenda Item 7: Authority Members' updates

25. Ms Di Davidson reported that the Adelaide Hills had received nearly a metre of rainfall for the year. She also noted the Langhorne Creek wine growing region was inundated leading to potential implications for plant health.
26. Mr George Warne noted that there were a number of socio-economic reports being undertaken relating to the southern Basin and there was a need to keep across the outcomes of these activities.

27. He commented that it was particularly wet in the Riverina with a minor to moderate flood event approaching Tocumwal. Mr Warne also commented that general security allocations had not increased with the increased holdings and flows. He cautioned that environmental water holders would likely be criticised if there was extended flooding.
28. Ms Susan Madden reported on the local incident and emergency response to the flooding of the Lachlan.
29. She reported that she presented an overview of the MDBA to the Rural Industries Research and Development Corporation (RIRDC) GrowAg event in Albury.
30. Mr Phillip Glyde reported that the MDBA's focus had been the Northern Basin Review (NBR) and managing the high water flows down the Murray.
31. Mr Glyde circulated a draft letter about complementary measures to the Chair of the BOC that had been requested at Authority 102 for any comments.
32. Mr Carl Binning, Executive Director Environmental Management, reported on the approach on complementary measures was being developed by an inter-jurisdictional working group that would be taken to the next BOC meeting on 20 October 2016. Measures to assist in the development of a framework for the consideration of the flow benefits of were being examined.
33. Professor Hart commented that some of the proposed complementary measures were more appropriate and valuable to unregulated systems, as in the northern Basin.
34. Mr Glyde noted that it would be useful for the Authority to discuss the Sustainable Diversion Limits (SDLs) Adjustment Measures in the southern Basin in more detail at the December meeting, following consideration at the November Ministerial Council meeting.
35. Mr David Dreverman reported on operational issues regarding the current water flow through the Murray system and likely questions that could be raised by concerned stakeholders.
36. The Authority **noted** members' updates.

Agenda Item 8: Basin Plan amendment update

37. Dr Tony McLeod introduced the item, noting the Authority had previously discussed the need for changes to Chapter 10 (Water resource plan requirements) and Chapter 12 (Water trading rules) of the Basin Plan.
38. Dr McLeod noted that in relation to chapter 10, the proposal included updates from the recent Water Resource Plan Working Group (WRPWG) meeting.
39. In relation to chapter 12, the Australian Competition and Consumer Commission (ACCC) response to the MDBA's request for advice regarding the possible amendment of the Basin Plan water trading rules was circulated.
40. Ms Woodburn noted that a paper about the process for consulting and communicating the amendments, would be provided at the next meeting. It was proposed that stakeholders would have the opportunity to make submissions, that the Chair would host a breakfast at Parliament House, a briefing pack and online videos would be prepared along with a series of community visits developed in consultation with a BCC sub-committee. She noted that it would be useful for Authority members to be involved in events. A specific aboriginal engagement package was also being developed.

41. The Authority:

Chapter 10 – Water resource plan requirements

- (a) **noted** that the Basin Plan Implementation Committee and Water Resource Plan Working Group (WRPWG) had encouraged the Authority to look to improve the efficiency and implementation of the WRP requirements and accreditation processes
- (b) **noted** that the WRPWG had proposed to work with the Authority between now and the time when States and Ministerial Council are requested to comment on the Basin Plan amendments, in order to allow more considered comment on those amendments that may improve the operability or efficiency of the WRP requirements and processes
- (c) **noted** that the WRPWG has recommended that section 10.04 of the Basin Plan be amended to provide for a reduced administrative burden of presenting material in a WRP for accreditation by making clear that material that is not operational or is descriptive in nature can be presented in aggregate (rather than requiring that the specific relevant text be matched to each specific aspect of each requirement)
- (d) **agreed** to proceed with developing an amendment to s10.04 of the Basin Plan to more clearly allow the presentation of material in a WRP for accreditation such that material that is not operational or is descriptive in nature can be presented in aggregate rather than requiring that the specific relevant text be matched to each specific aspect of each requirement

Chapter 12 – Water trading rules

- (e) **noted** that the Australian Competition and Consumer Commission (ACCC) had provided advice on potential amendments to the Basin Plan water trading rules
- (f) **noted** that the ACCC had provided advice on amending sections 12.16/12.17, 12.18, and 12.47 and a recommendation in relation to s12.09
- (g) **noted** that the advice provided was aimed at clarifying drafting ambiguities and ensuring the rules can function as originally intended:
 - i. ss 12.16/12.17 and 12.18: changes to make explicit that these sections apply equally to regulated and unregulated rivers
 - ii. s12.47: changes to remove reference to another instrument and directly incorporate the effect of the reference in the Plan
- (h) **noted** that the recommendation in relation to s12.09 suggests further analysis to examine the specification of entitlement extraction conditions and the interactions with the section's application which prohibits any restrictions arising due to the water being traded
- (i) **agreed** to:
 - i. proceed with developing amendments to sections 12.16/12.17, 12.18 and 12.47 of the Basin Plan
 - ii. defer any amendment of section 12.09 to allow for greater consultation on the policy issues
 - iii. advise the ACCC of this outcome after which time the advice received from ACCC will be made available to interested parties.

Agenda Item 9: Northern Basin Review

Agenda Item 9.1: Introduction

42. Mr Brent Williams, General Manager Northern Basin Taskforce, referred the Authority to the paper that detailed the process it had taken through the series of workshops by way of background on how the scenarios under consideration had been selected.

Agenda Item 9.2: Water Recovery Scenarios

43. Members requested clarification of those scenario results that had been inferred from full model runs of other scenarios. Dr Peta Derham, General Manager Eco hydrology, noted that all scenarios were based on modelled runs and the final scenario chosen would be subject to a complete model run.
44. Dr Derham and Dr Phil Townsend presented the optimised 320 GL and 350 GL water recovery scenarios for each catchment, outlining the socio-economic and environmental outcomes, as well as the interaction with local water sharing plan operating rules.
45. Mr Williams circulated a letter from Dr Blackwell, University of New England, on the outcomes of his team's independent review of the social and economic modelling inputs to the Northern Basin Review. Authority members noted the independent review endorsed the approach taken to the socio-economic work.
46. Dr Derham reported on the positive peer review assessment of the hydrological modelling. She noted that additional time had been provided for finalising Dr Drew Bewsher's report to respond to additional comments and questions that had been raised by NBAC.

Agenda Item 9.3: Other considerations for the SDL decision

47. Mr Williams guided Authority members through the range of materials provided in addition to the MDBA's analysis.
48. He provided a summary of the Northern Basin Aboriginal Nation's (NBAN) submission and the work it had done on possible measures that would improve environmental outcomes and address Aboriginal cultural obligations. He noted there had not yet been a discussion with the relevant jurisdictions on the measures proposed by NBAN.
49. Mr Frank Walker outlined the key points made by NBAC in its final report, including that the Authority should be aware of its views regarding the limitations of the aggregation of modelling data and the assumptions underpinning that data. He noted that NBAC is due to wrap up at the end of December with a further two meetings, the first around 22 November 2016 to receive a briefing on the outcomes of the final NBR and the proposed amendment.
50. Mr Glyde noted that a number of NBAC recommendations were not the responsibility of the MDBA and proposed that a response to the NBAC recommendations be prepared indicating what the MDBA has done in relation to each, including where recommendations have been referred to others. This would form the basis of the briefing to NBAC but may be made available in advance.
51. Authority members considered that responses should be provided to both NBAN and NBAC, commenting on the importance of their input to the Authority's considerations.
52. Mr Glyde circulated the responses from Queensland and New South Wales water ministers to the letter from Minister the Hon Barnaby Joyce that they be prepared to work together to do everything possible to minimise the need for further water recovery while ensuring acceptable environmental outcomes.

53. Mr Williams distributed letters from irrigation and farming stakeholders, noting they generally called for no surprises and no more water recovery, raised different levels of concern about modelling and support of the use of complementary measures.

Agenda Item 9.4: The proposed amendment

54. Mr Williams introduced the consideration of the proposed amendment by the Authority. He noted that the decision to release an amendment to the Basin Plan would be made under section 43 of the Act.
55. Members considered two scenarios: 320 GL and 350 GL. The majority of members indicated they were comfortable with the 100 GL reduction for the Condamine–Balonne and supported a total reduction of 320 GL. Members indicated their reasons for supporting the proposed reductions included the reduced economic impact, difficulty of recovery, equality of the result and that similar environmental issues would be achieved.
56. Members noted the advice provided that the site-specific flow indicators (SFIs) for the Condamine–Balonne are relatively insensitive to the recovery volumes considered as the increase required to make a substantial difference in the environmental outcomes was much greater than 115 GL. There was acceptance that the 100 GL and 115 GL recovery options resulted in similar environmental outcomes for the Condamine–Balonne SFIs.
57. The support of members for either recovery option for the Condamine–Balonne was contingent on measures being implemented to improve low flow outcomes for the lower Balonne.
58. Members also noted that there could be concerns about the move of reductions from shared to local contributions, particularly in the Namoi and Queensland Border Rivers.
59. Professor Hart indicated he supported a 115 GL reduction for the Condamine–Balonne, noting the catchment was significantly over-allocated and environmentally stressed. While noting the advice regarding SFIs, he commented that the recovery of any more than 115 GL would have unacceptable social and economic consequences in Dirranbandi and St George. Overall he supported recovery option 350 GL B. This varied from the 320 GL option largely in the shared reduction recovery (local reduction – 279 GL, shared reduction – 72 GL (Qld 30 GL, NSW 42 GL)).
60. Members questioned the difference in potential job losses in Dirranbandi between the various 320 GL scenarios. Dr Townsend noted that, from the modelling outputs, there are similar outcomes for the community with each scenario if water is assumed to be recovered through purchasing. Should water harvesting or overland flow licences be targeted there could be different outcomes. Similarly, the outcomes would be influenced by the total amount of water recovered, how quickly it was recovered and whether it was through purchase or infrastructure investment. Mr Colin Mues commented that even if recovery was left as it was there would still be difficult community outcomes.
61. In discussing the options, it was noted there was a marginal difference in environmental outcomes between 115 and 100 GL recovery in the Condamine–Balonne and an unquantifiable but potentially larger difference in the community outcomes with a 115 GL recovery. The unquantifiable outcomes were on top of the modelled results and arose from recovering almost half of the water entitlements held by irrigators and the current social and economic conditions in the communities.
62. The Authority **agreed**, by a 5–1 majority, to adopt the following Basin Plan SDL settings as the basis of a proposed amendment to Basin Plan SDLs as an outcome of the Northern Basin Review:
- (a) Condamine–Balonne local reduction of 100 GL
 - (b) a whole of north recovery volume of 320 GL

(c) local reductions in other valleys and overall shared reduction as set out in the following table:

SDL Resource Unit	Local reduction (GL)	Shared reduction (GL)	Total reduction (GL)
QLD			
Paroo	0		
Warrego	8		
Nebine	1		
Moonie	0		
Condamine–Balonne	100		
Queensland Border Rivers	14		
QLD Total	123		
NSW			
Intersecting Streams	0		
Gwydir	42		
NSW Border Rivers	7		
Namoi	20		
Macquarie–Castlereagh	55		
Barwon–Darling	32		
NSW Total	156		
Whole of North Total	279	41	320

63. The Authority **noted** the advice received from the following organisations in respect of the Northern Basin Review:

- (a) the final report from the Northern Basin Advisory Committee (NBAC)
- (b) the Northern Basin Aboriginal Nations (NBAN)
- (c) recent letters received from Macquarie Rivers Food and Fibre, Gwydir Valley Irrigators Association and Australian Farmers
- (d) other advice received previously from a range of stakeholders during the period of the Review, including at regional consultation meetings.

64. The Authority **noted** and expressed its appreciation in particular for:

- (a) the work of NBAC in developing its report, and the commitment of its Chair and members in performing this challenging task and
- (b) the comprehensive views put forward by the NBAN board.

65. The Authority also **noted** the in-principle support provided from the Commonwealth, New South Wales and Queensland governments to the implementation of toolkit measures including:

- (a) protection of environmental flows
- (b) targeted recovery of water
- (c) a range of event-based mechanisms including one-off temporary trade by event, options over pumping (enduring agreements) and store and release
- (d) to improve the management of environmental flows across the northern Basin there is a need to promote the coordination and delivery of environmental water

- o this could include actions that enhance the ability to coordinate the release from tributary dams and augmentation of bifurcation weirs in the Lower Balonne
 - (e) a measure to address constraints in the Gwydir valley
 - (f) works to promote fish movement and habitat in the northern Basin including the construction of fishways and the control of cold water pollution.
66. The Authority further **noted** that:
- (a) its decision at paragraph 60 above was made on the basis that the Commonwealth, New South Wales and Queensland governments will provide satisfactory commitments to implementing the abovementioned toolkit measures in a timely way
 - (b) should these commitments not materialise, it may prove necessary in future to consider amending the Basin Plan accordingly
 - (c) the decision at paragraph 60 would provide an opportunity for the New South Wales and Queensland governments to provide advice on their preference for apportioning the 41 GL shared reduction.
67. The Authority further **noted** the need for governments to consider the recommendations from NBAC and NBAN in respect of:
- (a) structural adjustment assistance for most affected communities
 - (b) measures to deliver improved outcomes for Aboriginal communities.
68. The Authority further **noted** the draft NBR report foreword and recommendations, and agreed that the Chair and Chief Executive would revise and recirculate to members for clearance.

Agenda Item 10: Other Business

Regional Engagement Officers

69. Mr Glyde reported that all the contracts had been let and briefings of officers and/or hosting organisations would commence from the second week of November.
70. The shortlisting of the applications occurred in consultation with Authority members where possible, Commonwealth Environmental Water Office Local Engagement Officers and the MDBA Executive.
71. Authority members **requested** information on the Regional Engagement Officers be provided prior to any public announcement and that they be kept informed of developments.

Agenda item 11: Next meeting

72. The Authority:
- (a) **agreed** to a teleconference on 24 October 2016 if required
 - (b) **noted** its next meeting was scheduled for 8 November 2016.

The Chair declared the meeting closed at 4pm.